

MINUTES OF THE MEETING
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY

August 23, 2006

MEMBERS PRESENT: Ryan Kitchell; Sue Scholer; Bill Lister; and Scott Tittle

ALSO PRESENT: Brenda Horn, Kristin McClellan, Kendra York, Ice Miller; Terri Hawkins, JP Morgan Trust Co.; Alan Nelson, Clarian Health Partners; Curt Fritsch, CRT Group; Rick Wittgren, BKD; Tim Wright, Scott Rederen, Regions Bank; Jennifer Alvey; Cindy Pierson; and Dan Kramer.

Mr. Kitchell welcomed those in attendance, recognized the presence of a quorum and called the meeting to order at 11:00 a.m. on August 23, 2006, in Suite 110, One North Capitol Avenue, Indianapolis, Indiana, pursuant to notice thereof.

Mr. Kitchell asked for approval of the Minutes of the July 26, 2006, meeting of the Indiana Health and Educational Facility Financing Authority. Thereupon, upon motion made by Ms. Scholer and seconded by Mr. Lister, it was unanimously:

RESOLVED, the Minutes of the July 26, 2006, meeting of the Indiana Health and Educational Facility Financing Authority are hereby approved and the Executive Director is instructed to execute same and to place same in the Minute Book as the Minutes of the July 26, 2006, Meeting of the Indiana Health and Educational Facility Financing Authority.

EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's Report is attached hereto as Exhibit A.

The Executive Director began with the first item on the agenda, the Final Resolution for Clarian Health Partners, Inc. in an amount not to exceed \$400,000,000. The purpose of this financing is for the refunding of the Indiana Health and Educational Facility Financing Authority's Variable Rate Demand Hospital Revenue Bonds, Series 1996B, Series 1996C, Series 2000B, Series 2000C, Series 2003H and Series 2003I.

Thereupon, upon motion made by Ms. Scholer and seconded by Mr. Lister, it was unanimously:

RESOLVED, the Final Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Refunding Revenue Bonds, Series 2006B (Clarian Health Obligated Group), in the principal amount not to exceed \$400,000,000 and Approving and Authorizing other actions with respect thereto be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit B.

The Executive Director then continued with the next item on the agenda, a Resolution for Community Village Inc. – Hartsfield Village Project in an amount not to exceed \$13,000,000. The purpose of this financing is to expand the assisted living component of the campus through the construction of approximately 24 new assisted living units and approximately 24 Memory Support units in a new building.

Thereupon, upon motion made by Ms. Scholer and seconded by Mr. Lister, it was unanimously:

RESOLVED, the Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Hospital Variable Rate Demand Revenue Bonds (Community Village Inc. – Hartsfield Village Project), in the principal amount not to exceed \$13,000,000 and Approving and Authorizing other actions with respect thereto be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit C.

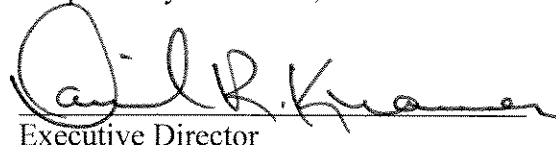
The Executive Director continued his report by directing members to the Indiana Health and Educational Facilities Financing Authority Accountant's Report and Financial Statements for the fiscal year ending June 30, 2005, that was located in their packets.

The Executive Director finished his report by directing members to the Indiana Health and Educational Facilities Financing Authority's July expense report and August cash & investment report.

The Executive Director concluded his report.

There being no further business, the meeting was adjourned.

Respectfully submitted,



Executive Director

EXHIBIT A

**INDIANA HEALTH AND EDUCATIONAL FACILITY
FINANCING AUTHORITY**

ONE NORTH CAPITOL AVE., SUITE 900
INDIANAPOLIS, INDIANA 46204
(317) 233-4335 FAX: (317) 232-6786

REPORT BY

DANIEL KRAMER, EXECUTIVE DIRECTOR

August 23, 2006

Activities for the period July 27, 2006, through August 23, 2006, are as follows:

I. Discussions have been held with possible clients as follows:

Johnson Memorial Hospital (Franklin, Indiana)

II. Special Projects in Various Stages of Development:

1. Grandview Care, Inc., New Castle Project - CLOSED	\$4,500,000
2. Clarian Health Partners	\$400,000,000
3. Community Village Inc. –Hartsfield Village Project	\$13,000,000

III. 1985 A Variable Rate Pool Activity

1. New Applications: None
2. Pending Applications: None
3. Approvals:
 - a. L.O.C. Required: Imaging Center of North Central, IN, Inc. \$3,500,000

EXHIBIT B

Final Resolution Authorizing the Issuance of the
Indiana Health and Educational Facility Financing Authority
Hospital Refunding Revenue Bonds, Series 2006B
(Clarian Health Obligated Group)
in the Principal Amount not to Exceed
Four Hundred Million Dollars and
Approving and Authorizing Other Actions in Respect Thereto

Be it resolved by the members of the Indiana Health and Educational Facility Financing Authority (the "Authority") that:

Section 1. Clarian Health Partners, Inc. (the "Borrower") has requested that the Authority issue its hospital refunding revenue bonds in one or more series in the aggregate principal amount not to exceed \$400,000,000 (the "Bonds") for the purpose of providing funds to make a loan to the Borrower, a participating provider (within the meaning of Indiana Code 5-1-16, hereinafter referred to as the "Act") for financing, refinancing or reimbursing a portion of the costs of constructing, acquiring or equipping certain Health Facility Property (as defined in the Act) of the Borrower. The Bonds are being issued pursuant to a certain bond indenture listed on Exhibit A attached hereto (the "Bond Indenture") between the Authority and J.P. Morgan Trust Company, National Association (the "Bond Trustee"), which Bond Indenture provides that the Bonds will be secured by the pledging and assigning of master note obligations of the Borrower issued in one or more series (collectively the "Master Notes") in like aggregate principal amount and certain rights of the Authority under the Loan Agreement listed on Exhibit A attached hereto (the "Loan Agreement"), which Loan Agreement shall evidence a loan of the proceeds of the Bonds from the Authority to the Borrower for the purpose of (i) financing, refinancing, and reimbursing a portion of the costs of constructing, acquiring, renovating, and equipping certain healthcare facilities constituting "health facility property" (the "Project") within the meaning of the Act; (ii) funding a reserve fund, if any, and (iii) paying certain costs of issuing the Bonds, including Underwriters' discount and credit enhancement. The property financed or refinanced from the proceeds of the Bonds is hereby determined to be necessary or helpful, directly or indirectly, to provide in Indiana: health care; medical research, training or teaching of healthcare personnel; habitation, rehabilitation or therapeutic services; or any related supporting services. Thus, such property constitutes Health Facility Property within the meaning of the Act.

Section 2. The forms of the documents listed on Exhibit A hereto (the "Bond Documents") presented to the Authority are hereby approved and shall be incorporated herein by reference and shall be kept by the Executive Director of the Authority.

Section 3. The Authority shall issue the Bonds for the purposes set forth in Section 1 hereof, in an aggregate principal amount not to exceed \$400,000,000 at an arbitrage yield not to exceed 6%, an original issue discount not to exceed 6% of the aggregate principal amount of the Bonds and with an Underwriters' discount not to exceed one percent (1%) of the aggregate principal amount of the Bonds. The Bonds will be subject to the redemption terms described in the Bond Indenture, as such Bond Indenture shall be approved by the Chair or Vice Chair. The proceeds of the Bonds shall be loaned to the Borrower to be used as more particularly set out in the Loan Agreement and the Bond Indenture. The Bonds will be payable as to principal, premium, if any, and interest from the payments to be made by the Borrower under the Loan

Agreement or the Master Notes, or as otherwise provided in the Bond Indenture. The issuance of the Bonds shall be contingent upon receipt of the approval of the Lieutenant Governor of the State of Indiana pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Bonds shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision. The Bonds shall mature no later than forty (40) years from the date of initial issuance.

Section 4. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute the Bonds and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority which shall be attested by the manual or facsimile signature of the Executive Director. The signatures of the Chair or Vice Chair and the Executive Director on the Bonds may be facsimile signatures. The Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Bonds to the Bond Trustee for appropriate authentication and the Bond Trustee may deliver such Bonds to or at the direction of the underwriters for the Bonds (the "Underwriters") upon receipt of an aggregate purchase price equal to the principal amount of the Bonds less Underwriters' discount not to exceed one percent (1%) of the principal amount of the Bonds, subject to the approval of the Chair or Vice Chair as described in Section 6 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Code.

Section 5. Either the Chair or the Vice Chair of the Authority is hereby authorized (i) to approve changes and additions to the form of the Preliminary Official Statement presented to the Authority and (ii) in order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission, to deem the Preliminary Official Statement final as of its date, except for the omission of the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and such other terms of the Bonds which depend on the foregoing items. The Authority hereby approves the form of the Preliminary Official Statement, and authorizes the Underwriters to distribute the Preliminary Official Statement with such changes or additions as shall be approved by the Chair or Vice Chair of the Authority for purposes of marketing the Bonds. The Authority also hereby approves the distribution of a final Official Statement (the "Official Statement") by the Underwriters to the purchasers of the Bonds. The Official Statement shall be substantially in the form of the Preliminary Official Statement now before this meeting and hereby approved, with such changes therein as shall be approved by the Chair or Vice Chair executing the same, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of the Preliminary Official Statement now before this meeting.

Section 6. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute (by manual or facsimile signatures affixed in accordance with Section 8 below), and the Executive Director to attest such signature where appropriate (by manual or facsimile signatures affixed in accordance with Section 8 below), and deliver the Bond Documents to which the Authority is a party, in substantially the forms presented to this meeting for distribution with such changes in form or substance as shall be approved by the Chair or Vice Chair of the Authority executing said documents, with such execution to constitute conclusive

evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of such documents now before this meeting.

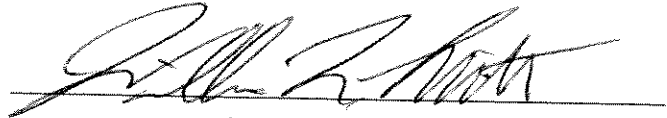
Section 7. The Chair, the Vice Chair and the Executive Director of the Authority, or any of them, are hereby authorized to execute (by manual or facsimile signatures affixed in accordance with Section 8 below) any other document which may be necessary or desirable to consummate the transaction described herein, including certain certifications requested by the Underwriters or Bond Counsel.

Section 8. In accordance with IC 5-1-16-9 and IC 5-1-16-13(a)(6), the Authority hereby authorizes the use of a signature stamp of the Chair or Vice Chair and the Executive Director (the "Authorized Signatories") on all documents (excluding the IRS Form 8038) necessary or desirable in connection with the issuance of the Bonds. Each Authorized Signatory may authorize, in a writing executed with a manual signature, Authority Counsel or a similar person to affix a stamp of their signature to the various bond documents and that such delegation and authorization shows the approval of such officer and the Authority agrees to be bound by a document executed in such manner.

Section 9. The provisions of this Resolution and the Bond Indenture shall constitute a contract binding between the Authority and the purchasers of the Bonds, and after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of such purchasers so long as any of the Bonds or the interest thereon remain unpaid.

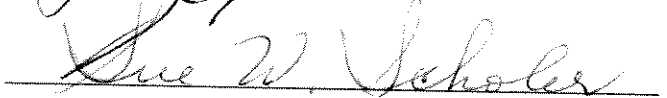
Dated this 23rd day of August, 2006

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY









Attest:


Daniel Kramer, Executive Director

EXHIBIT A

The Indenture of Trust and Pledge between the Authority and J.P. Morgan Trust Company, National Association (the "Bond Trustee") pursuant to which the Bonds will be issued

The Loan Agreement between the Authority and the Borrower

The Supplemental Master Indenture between J.P. Morgan Trust Company, National Association, as Master Trustee and the Borrower pursuant to which the Master Notes will be issued

The Master Notes to be issued to secure the Bonds

The Preliminary Official Statement and Official Statement used to market the Bonds

The Bond Purchase Agreement among Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, the Authority and the Borrower

EXHIBIT C

**RESOLUTION AUTHORIZING THE ISSUANCE OF THE
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY
VARIABLE RATE DEMAND REVENUE BONDS
(COMMUNITY VILLAGE INC. - HARTSFIELD VILLAGE PROJECT)
IN A PRINCIPAL AMOUNT NOT TO EXCEED
THIRTEEN MILLION DOLLARS,
AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO**

WHEREAS, the Indiana General Assembly enacted Indiana Code 5-1-16, as amended (the "Act"), which created the Indiana Health and Educational Facility Financing Authority (the "Authority") which is empowered to issue bonds for the purpose of making loans to Participating Providers (as defined in the Act) for the financing, reimbursing or refinancing of all or any part of the cost of Health Facility Property (as defined in the Act); and

WHEREAS, Community Village, Inc., an Indiana nonprofit corporation (the "Borrower"), a Participating Provider within the meaning of the Act, has requested that the Authority issue one or more series of its Variable Rate Demand Revenue Bonds (Community Village, Inc. - Hartsfield Village Project) in an aggregate principal amount not to exceed \$13,000,000 (collectively, the "Bonds") and loan the proceeds of the Bonds to the Borrower for the purpose of (1) financing, reimbursing or refinancing a part of the cost of acquiring, constructing, repairing, restoring, reconditioning, remodeling or installing an addition to or expansion of a residential facility for the elderly owned and operated by the Borrower and located at or adjacent to the Borrower's facilities at 10000 Columbia Avenue, Munster, Indiana 46312, (2) paying certain interest and fees, and (3) paying certain costs of issuing the Bonds ((1) through (3), the ("Project")); and

WHEREAS, the issuance and sale of the Bonds and the loan of the proceeds thereof to the Borrower for the purpose of the Project will be to the public benefit and good of the people of the State of Indiana, in that it will increase their commerce, welfare and prosperity, improve their health and living conditions, and reduce the cost of health care in the State of Indiana; and

WHEREAS, the Authority desires to issue the Bonds and loan the proceeds to the Borrower for purpose of financing the Project; and

WHEREAS, the Bonds shall be issued under a Bond Trust Indenture (the "Bond Indenture") between the Authority and First Midwest Bank, as trustee (the "Bond Trustee"), which Bond Indenture provides that the Bonds shall be secured by a Series 2006B Note (the "Note"), in like principal amount, to be issued by the Borrower under a Master Trust Indenture (the "Master Indenture") between the Borrower and First Midwest Bank (successor to Bank Calumet National Association), as trustee (the "Master Trustee"), as supplemented by Supplemental Indenture No. 4 (the "Supplemental Indenture") between the Borrower and the Master Trustee, and certain of the rights of the Authority under a Loan Agreement (the "Loan

Agreement") between the Authority and the Borrower, which Loan Agreement shall evidence a loan of the proceeds of the Bonds from the Authority to the Borrower; and

WHEREAS, the Bonds will be sold pursuant to a Bond Purchase Contract (the "Purchase Contract") among the Authority, the Borrower and Ziegler Capital Markets Group, a Division of B.C. Ziegler and Company (the "Underwriter"); and

WHEREAS, the Underwriter will utilize an Official Statement (the "Official Statement") in connection with the marketing of the Bonds; and

WHEREAS, the Authority has determined, in accordance with IC § 5-1-16-9, it is in the best interest of the Authority to provide direction to the Borrower concerning the identity of individuals who are authorized to bind the Authority to contractual commitments with the use of signature stamps; and

WHEREAS, the Authority desires to authorize its Chair, Vice Chair or Executive Director to take certain actions in preparation for marketing of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the members of the Authority that:

Section 1. Based solely on the application of the Borrower, the Authority hereby finds that the Project is necessary or helpful to provide, directly or indirectly, healthcare; medical research; habilitation, rehabilitation or therapeutic services; or any related supporting services; in Indiana and thus constitutes Health Facility Property within the meaning of the Act.

Section 2. Bonds in an aggregate principal amount not to exceed \$13,000,000 are hereby authorized to be issued under and pursuant to the Act and the proceeds thereof loaned to the Borrower for the purpose of financing the Project, as well as the other purposes described above, provided, that the appropriate actions are taken pursuant to the Act, the Internal Revenue Code of 1986, as amended, and applicable securities laws as may be required to implement the aforesaid financing and that all of the foregoing shall be mutually acceptable to the Authority and the Borrower.

Section 3. The forms of the Bonds, the Bond Indenture, the Loan Agreement, the Master Indenture, the Supplemental Indenture, the Bond Purchase Contract (all collectively known as the "Bond Documents") and the Official Statement presented to the Authority are hereby approved and are incorporated herein by reference and shall be kept by the Executive Director of the Authority.

Section 4. The Authority shall issue the Bonds for the purposes set forth in Section 1 hereof, in an aggregate principal amount not to exceed \$13,000,000 at an underwriter's discount not to exceed two percent (2%) of the aggregate principal amount of the Bonds. The Bonds may bear taxable or tax-exempt interest at fixed or variable rates as described in the Bond Documents,

and will be subject to the redemption terms described in the Bond Documents, as such Bond Documents shall be approved by the Chair or Vice Chair. The proceeds of the Bonds shall be loaned to the Borrower to be used as more particularly set out in the Bond Documents. The Bonds will be payable as to principal, premium, if any, and interest from the payments to be made by the Borrower under or as otherwise provided in the Bond Documents. The Bonds shall mature no later than thirty (35) years from the date of initial issuance, shall be in such fully registered form, shall be in such denominations and shall be payable at such places as are set forth in the Bond Indenture, as the Bond Indenture shall be approved by the Chair or Vice Chair.

Section 5. The issuance of the Bonds shall be contingent upon receipt of the approval of the Lt. Governor of the State of Indiana pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Bonds shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision.

Section 6. The Borrower will indemnify and hold the Authority, its members and the State of Indiana, including its officers, attorneys, employees and agents, free and harmless from any loss, claim, damage, tax, penalty, liability, disbursement, litigation expenses, attorneys' fees and expenses or court costs arising out of, or in any way relating to, the execution or performance of the Bond Documents or the Official Statement or any other documents in connection therewith or any other cause whatsoever pertaining to the Project or the Bonds, including the issuance and sale of the Bonds or failure to issue or sell the Bonds, actions taken under the Bond Documents or the Official Statement or any other cause whatsoever pertaining to the Project or the Bonds, all as further described in the Loan Agreement, except in any case as a result of the intentional misrepresentation or willful misconduct of the Authority.

Section 7. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute the Bonds and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority, which shall be attested by the manual or facsimile signature of the Executive Director. The signatures of the Chair or Vice Chair and the Executive Director of the Authority on the Bonds may be facsimile signatures affixed in accordance with Section 11 below. The Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Bonds to the Bond Trustee for appropriate authentication and the Bond Trustee may deliver such Bonds to or at the direction of the Underwriter upon receipt of an aggregate purchase price equal to the principal amount of the Bonds less underwriter's discount not to exceed two percent (2%) of the principal amount of the Bonds, subject to the approval of the Chair or Vice Chair as described in Section 4 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Code as described in Section 5 hereof.

Section 8. Either the Chair or the Vice Chair of the Authority is hereby authorized to execute (by manual or facsimile signatures affixed in accordance with Section 11 below) and deliver the Official Statement. The Authority hereby approves the distribution of the Official Statement by the Underwriter to the purchasers of the Bonds. The Official Statement shall be

substantially in the form of the Official Statement now before this meeting and hereby approved, with such changes therein as shall be approved by the Chair or Vice Chair executing the same, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of the Official Statement now before this meeting.

Section 9. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute (by manual or facsimile signatures affixed in accordance with Section 11 below), and the Executive Director to attest such signature where appropriate (by manual or facsimile signatures affixed in accordance with Section 11 below), and deliver the Bond Indenture and the Loan Agreement and an endorsement and assignment of the Note, , in substantially the forms presented to this meeting with such changes in form or substance as shall be approved by the Chair or Vice Chair of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of such documents now before this meeting. The Chair, Vice Chair or Executive Director of the Authority is hereby authorized and directed to execute (by manual or facsimile signatures affixed in accordance with Section 11 below) and deliver the Purchase Contract, in substantially the form presented to this meeting, with such changes in form or substance as shall be approved by the Chair, Vice Chair or Executive Director of the Authority executing the Purchase Contract, with such execution to constitute conclusive evidence of the Chair's, Vice Chair's or Executive Director's approval and the Authority's approval of any changes from or revisions to the form of the Purchase Contract now before this meeting.

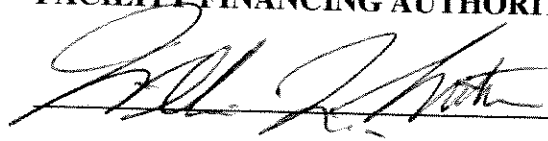
Section 10. The Chair, the Vice Chair and the Executive Director of the Authority, or any of them, are hereby authorized to execute any other document or take any other action which may be necessary or desirable to consummate the transaction described herein, including execution of any certifications requested by the Underwriter or Bond Counsel.

Section 11. The Authority hereby authorizes the use of a signature stamp of the Chair or Vice Chair and the Executive Director (the "Authorized Signatories") on all documents (excluding the IRS Form 8038) necessary or desirable in connection with the issuance of the Bonds. Each Authorized Signatory may authorize, in a writing executed with a manual signature, Authority Counsel or any other person to affix a stamp of such Authorized Signatory's signature to the Bond Documents or any other documents, such delegation and authorization shows the approval of such Authorized Signatory and the Authority agrees to be bound by any document executed in such manner.


Section 12. The provisions of this Resolution and the Bond Documents shall constitute a contract binding on the Authority, and after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of any Bond holder so long as any of the Bonds or the interest thereon remain unpaid.

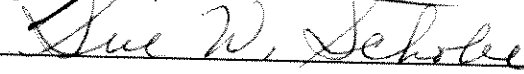
This resolution adopted on this 23rd day of August, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

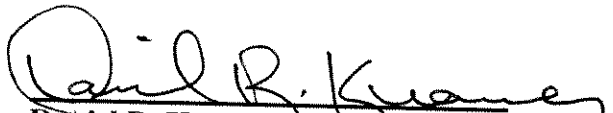








Attest:


Daniel R. Kramer, Executive Director